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OFFICIAL STATEMENT

**SAN BERNARDINO COUNTY
CALIFORNIA**

**GREEN VALLEY LAKE ASSESSMENT DISTRICT NO. 74-1,
COUNTY SERVICE AREA NO. 79,
COUNTY OF SAN BERNARDINO
IMPROVEMENT BONDS**

\$1,855,829.16

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IMPROVEMENT BOND ACT OF 1915

Bids to be received by the Clerk to the Board of Supervisors of San Bernardino County at the office of the Clerk to the Board of Supervisors, Second Floor, 175 West Fifth Street, San Bernardino, California, at 11:00 A.M. on Tuesday, July 5, 1977.

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John H. Bulmer,
County Auditor-Controller

V. Dennis Wardle,
County Clerk-Recorder

M. Crane Kitchel,
County Counsel

John A. Gartner,
Treasurer-Tax Collector

John M. Bernard, *Director of Public Works*

County Personnel Connected With the Project

Department of Special Districts

Albert R. Reid, *Administrator*

Larry H. Hendon
Ed Houston

William A. Harwood

Office of County Counsel

Eugene L. Holder, *Chief Deputy County Counsel*

Professional Services

VTN Consolidated, Inc., San Bernardino
Consulting Engineers

F. Mackenzie Brown, Newport Beach
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc.,
Los Angeles and San Francisco
Financing Consultants

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Invest. Publ. Secur.
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Publ. works Fin

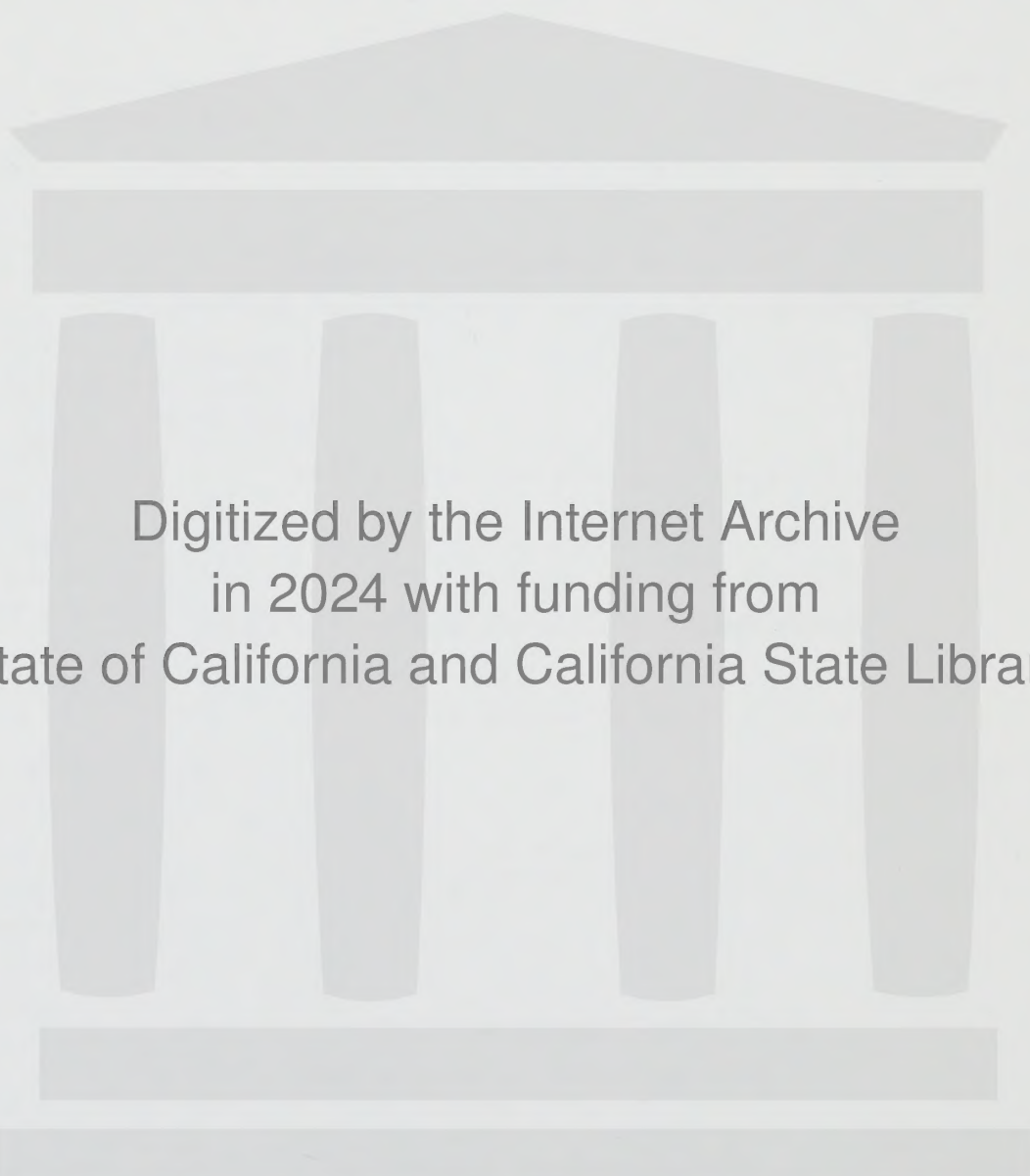
THE DATE OF THIS OFFICIAL STATEMENT IS JUNE 13, 1977

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June 13, 1977

To Whom it May Concern:

The purpose of this Official Statement is to supply information to prospective purchasers of \$1,855,829.16 principal amount of bonds to be issued by the County of San Bernardino pursuant to the Improvement Bond Act of 1915 for Green Valley Lake Assessment District No. 74-1, County Service Area No. 79, County of San Bernardino.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants in connection with the Assessment District project and the firm will receive compensation contingent upon the sale and delivery of bonds.

The legal opinion approving the validity of the Bonds will be furnished by F. MacKenzie Brown, Newport Beach, California, Bond Counsel. Bond counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth under the heading "The Bonds".

At the time of payment for and delivery of the Bonds, the County will furnish the successful bidder a certificate signed by an appropriate officer of the County, acting in his official capacity, to the effect that to the best of his knowledge and belief and after reasonable investigation:

(a) Neither the Official Statement nor any amendment or supplement to it contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;

(b) Since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement;

(c) Nor, has there been in any matter adverse change in the operation or financial affairs of the County since the date of the Official Statement.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement and any supplement or amendment, and if given or made, such information or representation must not be relied upon as having been authorized by the County.

This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the bonds by a person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been authorized by the Board of Supervisors of the County of San Bernardino.

Robert O. Townsend, Chairman
Board of Supervisors
County of San Bernardino

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Base map courtesy of National Automobile Club, copyright owner

INTRODUCTION

The Community of Green Valley Lake is located at an elevation of approximately 7,000 feet in the San Bernardino Mountains, between Big Bear and Lake Arrowhead. It is about 25 miles northeast of the city of San Bernardino. Green Valley Lake offers a variety of recreational activities for all seasons. Most of the cabins in the area serve as vacation homes for the property owners.

The proposed sewerage facilities are required in order to comply with the mandate of the Lahontan Regional Water Quality Control Board that wastewater discharges into the watersheds of Deep Creek and Grass Valley Creek from individual disposal systems be eliminated by January 1, 1977. It is expected that this date will be extended.

The total project cost is estimated to be \$6,003,903.96. This is based upon the low bids submitted by Harich Construction Co. for the pipeline portion of the interceptor sewer; and by R. L. Thibodo Construction Co., Inc. for the lift station portion of the interceptor sewer, as well as for the entire collection system. The sources of funds include federal and state grants estimated to be \$2,762,584.63. Cash collections totalled \$312,401.44 and contributions from users outside the assessment district are estimated to be \$73,088.73. The balance of the project cost, \$2,855,829.16 is represented by unpaid assessments levied against private property in the Green Valley Lake Assessment District No. 74-1, County Service Area No. 79, County of San Bernardino.

The \$2,855,829.16 principal amount of bonds will be issued in two series.

The \$1,855,829.16 principal amount of Series 79-1A Bonds currently offered for sale are a portion of the total \$2,855,829.16 principal amount of bonds authorized to be issued pursuant to the proceedings for the Assessment District. The Series 79-1A Bonds will be dated July 15, 1977.

\$1,000,000.00 principal amount of Series 79-1B Bonds will be issued at par and with an interest rate of five percent (5%). The Series 79-1B Bonds will be issued as fully registered bonds, and will be dated on or about September 1, 1977.

The United States Department of Agriculture, Farmers Home Administration (FmHA) has conditionally agreed to purchase the \$1,000,000.00 principal amount of Series 79-1B Bonds. The Board of Supervisors has approved a letter of intent to meet the FmHA conditions and has requested FmHA to obligate funds. It is anticipated that FmHA will submit to the County an offer to purchase the Series 79-1B Bonds on or before July 5, 1977, the date of sale of the Series 79-1A Bonds.

The improvement proceedings for the Assessment District are being conducted pursuant to the Municipal Improvement Act of 1913 in accordance with the Resolution of Intention adopted by the County Board of Supervisors on September 7, 1976. The Bonds represent the unpaid assessments levied upon private property in the Assessment District in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued pursuant to the Improvement Bond Act of 1915.

Under provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual bond service are to be collected on the property tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund, which will be held by the County Treasurer and used to pay bond principal and interest as they become due. The installments billed against each property each year represent a pro rata share of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against the property bears to the total of unpaid assessments in connection with the project.

In the event of delinquencies in the payment of the property owner's installments, the Board of Supervisors of San Bernardino County is obligated to advance the amount of any such delinquencies to the Redemption Fund from any available funds. If the County does not have sufficient funds for this purpose, it is required to levy a tax in any amount, up to a maximum of \$0.10 per \$100 assessed valuation. The tax must be levied against all taxable properties in the County. The obligation to levy the tax, if required, continues each year until bond principal and interest are paid.

Based on the County's 1976/77 assessed valuation for revenue purposes, the estimated tax rate which would be required to be levied against all property in the County in order to raise an amount equal to the estimated annual bond service for the Series 79-1A Bonds and the Series 79-1B Bonds based on an estimated interest rate of 6.5 percent for the Series 79-1A Bonds and an interest rate of five percent for the Series 79-1B Bonds is \$0.0084 per \$100 assessed valuation.

THE BONDS

Authority for Issuance

The improvement proceedings for Green Valley Lake Assessment District No. 74-1, County Service Area No. 79, County of San Bernardino (hereinafter referred to as the "Assessment District") are being conducted pursuant to the Municipal Improvement Act of 1913 in accordance with Resolution of Intention No. 76-222 adopted by the Board of Supervisors of San Bernardino County on September 7, 1976. The Series 79-1A Bonds are a portion of the total authorized amount of bonds representing the unpaid assessments levied against private property in the Assessment District in accordance with the provisions of the Municipal Improvement Act of 1913, and will be issued pursuant to the Improvement Bond Act of 1915.

Terms of Sale

Bids for the purchase of the Series 79-1A Bonds will be received by the Clerk to the Board of Supervisors of San Bernardino County at 11:00 a.m., Tuesday, July 5, 1977 at the office of the Clerk to the Board of Supervisors, Second Floor, 175 West Fifth Street, San Bernardino, California. The Notice of Sale provides for a maximum interest rate of eight percent (8%) and also provides that no bid for less than ninety-eight percent (98%) of par will be considered. Further details as to the terms of sale are included in the Notice of Sale, copies of which are enclosed with this Official Statement.

Description of the Bonds

The \$1,855,829.16 principal amount of Series 79-1A Bonds currently offered for sale are a portion of the total \$2,855,829.16 principal amount of bonds authorized to be issued pursuant to the proceedings for the Assessment District. The Series 79-1A Bonds will be dated July 15, 1977, will be numbered 1 through 372 and will be issued in the denomination of \$5,000, except Bond Number 1, which will be issued in the denomination of \$829.16. Interest for the first 5 months and 17 days on the Series 79-1A Bonds will be payable on January 2, 1978. Interest will be payable semi-annually thereafter on July 2 and January 2 of each year. Both principal and interest are payable at the office of the County Treasurer of San Bernardino County. The Series 79-1A Bonds will mature on July 2 of each of the years and in the amounts as shown in the maturity schedule below.

SERIES 79-1A BONDS

Maturity Schedule

Year	Principal Maturing July 2	Year	Principal Maturing July 2	Year	Principal Maturing July 2	Year	Principal Maturing July 2
1978	\$35,829.16	1985	\$45,000	1991	\$70,000	1997	\$105,000
1979	35,000	1986	50,000	1992	75,000	1998	110,000
1980	35,000	1987	55,000	1993	80,000	1999	120,000
1981	35,000	1988	60,000	1994	85,000	2000	125,000
1982	40,000	1989	60,000	1995	90,000	2001	135,000
1983	40,000	1990	65,000	1996	95,000	2002	145,000
1984	45,000						

\$1,000,000.00 principal amount of Series 79-1B Bonds will be issued at par with an interest rate of five percent (5%). The Series 79-1B Bonds will be issued as fully registered bonds, will be dated on or about September 1, 1977, will be numbered 373 through 572 and will be issued in denominations of \$5,000. Interest for the first 4 months and 1 day will be payable on January 2, 1978. Interest will be payable semi-annually thereafter on July 2 and January 2 of each year. Both principal and interest are payable at the office of the County Treasurer of San Bernardino County. The Series 79-1B Bonds will mature on July 2 of each of the years and in the amounts as shown in the maturity schedule below.

SERIES 79-1B BONDS

Maturity Schedule

Year	Principal Maturing July 2	Year	Principal Maturing July 2	Year	Principal Maturing July 2
1978	\$15,000	1999-02	\$25,000	2012-14	\$45,000
1979-86	10,000	2003-06	30,000	2015	50,000
1987-93	15,000	2007-09	35,000	2016-17	55,000
1994-98	20,000	2010-11	40,000		

The United States Department of Agriculture, Farmers Home Administration (FmHA) has conditionally agreed to purchase the \$1,000,000.00 principal amount of Series 79-1B Bonds. The Board of Supervisors has approved a letter of intent to meet the FmHA conditions and has requested FmHA to obligate funds. It is anticipated that FmHA will submit to the County an offer to purchase the Series 79-1B Bonds on or before July 5, 1977, the date of sale of the Series 79-1A Bonds.

Redemption of the Bonds

Any bond may be redeemed on any January 2 or July 2 prior to its fixed maturity date, at the option of the County Treasurer, upon giving 60 days prior notice, and upon the payment of the principal amount thereof and interest accrued thereon to the date of redemption, plus a redemption premium of five percent (5%) of the principal amount thereof.

Registration

The Series 79-1A Bonds will be issued as coupon bonds, registrable as to principal and interest only.

Eligibility For National Banks

A request has been made to the Comptroller of the Currency for a ruling that the Series 79-1A Bonds are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the Series 79-1A Bonds.

Legal Opinion

All proceedings in connection with the issuance of the Series 79-1A Bonds and the Series 79-1B Bonds are subject to the approval of F. Mackenzie Brown, Newport Beach, California, bond counsel for San Bernardino County in connection with the Assessment District project. The unqualified opinion of F. Mackenzie Brown, Attorney at Law, approving the validity of the Series 79-1A Bonds, will be furnished to the successful bidder upon delivery of the Series 79-1A Bonds at no charge, and a copy of the legal opinion will be printed on each bond.

Tax Exempt Status

In the opinion of bond counsel, interest on the Series 79-1A Bonds is exempt from income taxes of the United States of America under present federal income tax laws and also from personal income taxes of the State of California under present state income tax laws.

Purpose of the Bonds

Proceeds from the sale of the Series 79-1A Bonds together with cash collections, federal and state grants, contributions, and proceeds from the sale of Series 79-1B Bonds to the Farmers Home Administration will be used to finance the acquisitions and improvements described in “The Project” section of this official statement.

Security of the Bonds

Under provisions of the Improvement Bond Act of 1915 installments of principal and interest sufficient to meet annual bond service are to be collected on the regular property tax bills sent to owners of property against which there are unpaid assessments. These annual installments are to be paid into the Redemption Fund which will be held by the County Treasurer and used to pay bond principal and interest on the Series 79-1A Bonds and the Series 79-1B Bonds as they become due. The installments billed against each property each year represent a pro rata share of the total principal and interest coming due that year, based on the percentage which the unpaid assessment against the property bears to the total of unpaid assessments in connection with the project.

In the event of delinquencies in the payment of the property owner's installments, the Board of Supervisors of San Bernardino County is obligated to advance the amount of any such delinquencies to the Redemption Fund from any available funds. If the County does not have sufficient funds for this purpose, it is required to levy a tax in any amount, up to a maximum of \$0.10 per \$100 assessed valuation. The tax must be levied against all taxable properties in the County. The obligation to levy the tax, if required, continues each year until bond principal and interest are paid.

Based on the County's 1976/77 assessed valuation for revenue purposes, the estimated tax rate which would be required to be levied against all property in the County in order to raise an amount equal to the estimated annual bond service for the Series 79-1A Bonds and the Series 79-1B Bonds based on an estimated interest rate of 6.5 percent for the Series 79-1A Bonds and an interest rate of five percent for the Series 79-1B Bonds is \$0.0084 per \$100 assessed valuation.

Contract with C.S.A. 79

The County and C.S.A. 79 have a contractual agreement providing that C.S.A. 79 reimburse the County for all monies the County may advance because of delinquencies in the payment of the property owners' installments. In order to provide funds which may be used to make reimbursements, it is the County's policy to reserve an initial sum within the C.S.A. 79 general fund equal to two percent (2%) of the principal amount of bonds issued.

Estimated Annual Bond Service

Table 1 shows the estimated annual bond service for the Series 79-1A Bonds based on an estimated interest rate of 6.5 percent. Table 1 also shows the annual bond service for the Series 79-1B Bonds and the combined bond service for the Series 79-1A Bonds and Series 79-1B Bonds.

Table 1
**GREEN VALLEY LAKE ASSESSMENT DISTRICT NO. 74-1
COUNTY SERVICE AREA NO. 79, COUNTY OF SAN BERNARDINO**
Estimated Annual Bond Service

Year Ending July 2	Series 79-1A Bonds				Series 79-1B Bonds Annual Bond Service	Estimated Total Annual Bond Service
	Principal Outstanding	Estimated Interest at 6.5%	Principal Maturing July 2	Estimated Annual Bond Service		
1978	\$1,855,829.16	\$ 116,272.85 (1) \$	35,829.16	\$ 152,102.01	\$ 56,643.84 (2) \$	\$ 208,745.85
1979	1,820,000.00	118,300.00	35,000.00	153,300.00	59,250.00	212,550.00
1980	1,785,000.00	116,025.00	35,000.00	151,025.00	58,750.00	209,775.00
1981	1,750,000.00	113,750.00	40,000.00	153,750.00	58,250.00	212,000.00
1982	1,710,000.00	111,150.00	40,000.00	151,150.00	57,750.00	208,900.00
1983	1,670,000.00	108,550.00	45,000.00	153,550.00	57,250.00	210,800.00
1984	1,625,000.00	105,625.00	45,000.00	150,625.00	56,750.00	207,375.00
1985	1,580,000.00	102,700.00	50,000.00	152,700.00	56,250.00	208,950.00
1986	1,530,000.00	99,450.00	50,000.00	149,450.00	55,750.00	205,200.00
1987	1,480,000.00	96,200.00	55,000.00	151,200.00	60,250.00	211,450.00
1988	1,425,000.00	92,625.00	60,000.00	152,625.00	59,500.00	212,125.00
1989	1,365,000.00	88,725.00	65,000.00	153,725.00	58,750.00	212,475.00
1990	1,300,000.00	84,500.00	65,000.00	149,500.00	58,000.00	207,500.00
1991	1,235,000.00	80,275.00	70,000.00	150,275.00	57,250.00	207,525.00
1992	1,165,000.00	75,725.00	75,000.00	150,725.00	56,500.00	207,225.00
1993	1,090,000.00	70,850.00	80,000.00	150,850.00	55,750.00	206,600.00
1994	1,010,000.00	65,650.00	85,000.00	150,650.00	60,000.00	210,650.00
1995	925,000.00	60,125.00	90,000.00	150,125.00	59,000.00	209,125.00
1996	835,000.00	54,275.00	95,000.00	149,275.00	58,000.00	207,275.00
1997	740,000.00	48,100.00	105,000.00	153,100.00	57,000.00	210,100.00
1998	635,000.00	41,275.00	110,000.00	151,275.00	56,000.00	207,275.00
1999	525,000.00	34,125.00	120,000.00	154,125.00	60,000.00	214,125.00
2000	405,000.00	26,325.00	125,000.00	151,325.00	58,750.00	210,075.00
2001	280,000.00	18,200.00	135,000.00	153,200.00	57,500.00	210,700.00
2002	145,000.00	9,425.00	145,000.00	154,425.00	56,250.00	210,675.00
2003					60,000.00	60,000.00
2004					58,500.00	58,500.00
2005					57,000.00	57,000.00
2006					55,500.00	55,500.00
2007					59,000.00	59,000.00
2008					57,250.00	57,250.00
2009					55,500.00	55,500.00
2010					58,750.00	58,750.00
2011					56,750.00	56,750.00
2012					59,750.00	59,750.00
2013					57,500.00	57,500.00
2014					55,250.00	55,250.00
2015					58,000.00	58,000.00
2016					60,500.00	60,500.00
2017					57,750.00	57,750.00
TOTAL		\$1,938,222.85	\$1,855,829.16	\$3,794,052.01	\$2,312,143.84	\$6,106,195.85

(1) Interest for 11 months and 17 days.

(2) Interest for 304 days based on 365 day year.

THE PROJECT

Mandate for Water Pollution Controls

Water pollution control activities relating to the Assessment District are the concern and responsibility of the Lahontan Regional Water Quality Control Board. The Lahontan Regional Water Quality Control Board stipulated in their Water Quality Control Plan of May 15, 1975, that no septic tanks and leach fields were to be in service in the community of Green Valley Lake after January 1, 1975. All wastewater discharges to the watersheds of Deep Creek and Grass Valley Creek were also to be eliminated by this date. An extension was granted until January 1, 1977. Technically the Green Valley Lake community is in violation. However, according to their staff, the Lahontan Board does not plan to take any action against individual dischargers since plans are underway to construct a sewage disposal system. The Lahontan Board plans to grant another extension as soon as the construction schedule is presented to them. The Plan states that the wastewaters from Green Valley Lake are to be discharged to the wastewater facilities presently operated by the Running Springs County Water District, which has been designated as the regional treatment and disposal agency.

Formation of the Assessment District

County Service Area No. 79 was originally created in response to a request by the citizens of Green Valley Lake for community fire protection services. In September, 1971, the County Board of Supervisors granted authorization for C.S.A. 79.

In October, 1971, following the edict of the Lahontan Regional Water Quality Control Board to eliminate waste discharges in designated locations, the citizens of Green Valley Lake requested that C.S.A. 79 be given power to act as a sewerage agency in addition to providing fire protection. In November, 1971, the County Board of Supervisors approved this request.

On January 1, 1972, San Bernardino County Service Area No. 79 officially came into existence, with power to provide services as a fire protection and sewerage agency serving the community of Green Valley Lake. C.S.A. 79 is administered by the San Bernardino County Special Districts Department. The Special Districts Department is under the jurisdiction of the San Bernardino County Board of Supervisors. There is an Advisory Commission to C.S.A. 79 comprised of property owners and residents from the community of Green Valley Lake. The purpose of the Advisory Commission is to act as liaison between the residents and property owners within C.S.A. 79, and the Board of Supervisors and County staff.

The County Board of Supervisors designated the firm of VTN Consolidated, Inc. of San Bernardino, Civil Engineers, as Engineer of work for the sewer project.

The first undertaking of the Engineer of work, coordinating closely with the Special Districts Department, was to establish the boundaries of the assessment district. These boundaries are generally determined based upon the need for the improvement and geographical and topographical features, which limit the area of service with regard to sewers.

The boundaries of Assessment District No. 74-1 includes all of C.S.A. 79. It also includes areas outside of the county service area as shown on the assessment map in Appendix I. Camp Ahwahnee and Camp Wintaka, the areas outside of C.S.A. 79, will be required to contract with C.S.A. 79 for the necessary sewer services.

Project Description

A wastewater collection system will be constructed to serve the community of Green Valley Lake. The sewage collection system will consist of gravity sewers, pump stations and force mains, including all required house laterals. The system will consist of approximately 16 miles of collector sanitary sewers.

The collected wastewater from the Green Valley Lake area will be conveyed to existing wastewater facilities located in Running Springs. These wastewater treatment and disposal facilities are owned and operated by the Running Springs County Water District. The effluent from the Running Springs treatment facility is discharged in the Santa Ana River Basin, which is under the jurisdiction of the Santa Ana Regional Water Quality Control Board. Both the Lahontan and Santa Ana Regional Boards are in accord with this regional plan.

An interceptor sewer from the collection system at Green Valley Lake to the wastewater collection system serving Running Springs will be constructed. The interceptor sewer will serve Snow Valley winter sports facility, U.S. Forest Service facilities, private and public campgrounds and other private property, in addition to Green Valley Lake.

Payment to the Running Springs County Water District will be made by C.S.A. 79 for conveying, treating and disposing of wastewater from the upstream contributors. In turn, C.S.A. 79 will distribute costs to all contributors of the interceptor.

Project Objectives

The main objective of the project is compliance with prohibitions, adopted by the Lahontan Regional Water Quality Control Board, against discharge of wastes from leaching or percolation systems within the Upper Deep Creek Watershed. The objectives of the prohibition are decreasing the amount of dissolved solids buildup now occurring in the groundwater resources of the area and elimination of dangerous health hazards caused by failure of septic tank leaching fields, which results in inadequately treated sewage being forced upward to ground level, restricts groundwater uses and might possibly pollute the lake itself, which is presently used for recreational purposes.

Environmental Review

A study was conducted to determine the environmental impacts that would result from the installation and operation of the proposed interceptor sewer and collection system in the Green Valley Lake/Running Springs area. On April 18, 1975 the San Bernardino County Board of Supervisors issued the Notice of Completion. It was recognized that the project would cause a short term adverse environmental impact mainly during the construction phase. However, this adverse effect would be outweighed by the long-term beneficial effects of the project. The environmental impact report was prepared in accordance with the California Environmental Quality Act of 1970.

Method of Assessment

Green Valley Lake consists of small, average, medium and large subdivided lots with a few large acreage parcels. The Municipal Improvement Act of 1913 provides that the total cost less contributions shall be assessed proportionally to each individual parcel based upon estimated benefits received. It was the Engineer of Work's recommendation that the most equitable method for proportioning the cost be based upon a combination of a unit cost per parcel based upon the size of the parcel and taking into consideration the County of San Bernardino minimum lot size of 7,200 square feet.

It was determined that larger parcels are directly responsible for some additional construction cost to the total project and therefore should bear some additional cost proportionate to the increased construction cost. The portion of the total construction which relates directly to the larger parcels is the main line trenching within the Assessment District.

Due to the irregular and odd-shaped lots, a unit method of assessment was considered to be the most equitable as follows:

All small parcels recorded in prior years and consisting of up to 4,000 square feet received 0.70 units of assessment.

Average parcels consisting of 4,000 square feet to 7,200 square feet received 1.00 unit of assessment.

Medium parcels consisting of 7,200 square feet to 12,000 square feet received 1.10 unit of assessment.

Large parcels consisting of 12,000 square feet to 20,000 square feet received 1.20 unit of assessment.

Acreage parcels are those parcels which ultimately could be subdivided and therefore, would extend the collection system within their area and these parcels were assessed an acreage charge.

Adjustments and considerations in assessment apportionment were allowed in some cases because of terrain and topography and certain parcels were consolidated when it was determined that two separate units of benefit was not appropriate. Nine parcels which were determined to be "unbuildable" were not assessed.

The cost of service laterals was assessed based on a unit charge for each service lateral provided. Service laterals were constructed only to improved parcels or to unimproved parcels if the property owner requested the installation of the service lateral.

The number of parcels to be assessed in the Assessment District is 1,614. This includes 1,610 parcels in Green Valley Lake and four additional parcels which are located along the proposed interceptor line but outside of Green Valley Lake (C.S.A. 79). The total number of improved parcels as of January 1, 1977 was 895.

The assessment cost to a property owner of an average parcel without a service lateral would be \$1,853.46. The inclusion of the service lateral would increase the cost by \$295.00 to \$2,148.46. For those property owners who qualified as permanent residents of Green Valley Lake, additional state and federal grants were received which reduced the average assessment for parcels with a home occupied by a permanent resident to \$983.16. Appendix II is a list comparing the amount of the unpaid assessments to the 1976/77 assessed valuation of each parcel.

Estimated Project Costs and Sources of Funds

Table 2 shows a summary of the estimated project costs and sources of funds.

Construction bids were received on October 12, 1976 for the project. The low bid of \$2,012,766.80 for the sewer collection system was submitted by R. L. Thibodo Construction Co., Inc. of Vista, California which company also submitted the low bid of \$244,000 for the lift stations to be constructed in conjunction with the interceptor sewer. Because of some legal technicalities, the pipeline portion of the interceptor sewer (Schedule A) was rebid on May 18, 1977. Harich Construction Co. of Running Springs, California submitted the low bid of \$849,686.33. The estimated cost for repairing of roads by the County Road Department and for utility relocations by the Southern California Gas Company is \$162,864.

On May 9, 1977, an agreement was entered into between County Service Area No. 79 and the Runnings Springs County Water District. It provided for the enlargement of the wastewater treatment plant at Running Springs and for the treatment of sewage wastes from Green Valley Lake at the plant. The initial amount to be paid to the Running Springs County Water District for the right to discharge wastewaters from Green Valley Lake has been included in the project costs.

The California Water Resources Control Board processes applications for the Federal—State Clean Water Grant. The federal portion of the grant monies is provided by the Environmental Protection Agency. Seventy-five percent of the total eligible project costs would be provided by the EPA. The State Water Resources Control Board contributes 12.5 per cent of eligible costs and the local share is 12.5 percent of the total eligible costs plus the cost of ineligible items.

Table 2**GREEN VALLEY LAKE ASSESSMENT DISTRICT NO. 74-1
COUNTY SERVICE AREA NO. 79, COUNTY OF SAN BERNARDINO****Estimated Project Costs and Sources of Funds**

ESTIMATED PROJECT COSTS

Construction cost	\$ 3,269,317.13
Construction contingencies	612,420.21
Total Construction Cost	\$ 3,881,737.34
Incidental costs	2,122,166.62
Total Project Cost	\$ 6,003,903.96

SOURCES OF FUNDS

Series 79-1A	\$ 1,855,829.16
FmHA purchase of Series 79-1B Bonds	1,000,000.00
Cash collections	312,401.44
Grant for permanent residents	141,847.42
FmHA grant for collection sewer	1,000,000.00
State and Federal grant for interceptor	1,620,737.21
Contributions from users outside assessment district	73,088.73
	\$ 6,003,903.96

The Clean Water Grant for the interceptor part of the project was applied for on September 8, 1975. The grant was approved on February 17, 1976. Construction costs have risen since that time but the County has a commitment from the agencies involved to cover the increased costs.

On May 9, 1977, another Clean Water Grant was awarded for the collection portion of the project only. This grant is available only to the permanent residents of Green Valley Lake. The grant will be adjusted when the confirmed list of permanent residents is received by the state. The amount of the federal and state grants for permanent residents is estimated to be \$141,847.42 based on 116 residences occupied by permanent residents. The amount of the grant may be increased if additional permanent residents are verified, however, it is not anticipated that any more permanent residents will be confirmed.

The County has applied to the Farmers Home Administration of the United States Department of Agriculture (FmHA) for a loan to be evidenced by purchase of bonds by FmHA. If such application be approved, FmHA will submit an offer to purchase bonds in an amount not to exceed \$1,000,000 at par, with the bonds bearing interest at the rate of five percent (5%) per annum.

The County has also received a grant from FmHA to be applied toward the collection system only. The grant amount received may not exceed \$1,276,800. The FmHA grant is estimated to be \$1,000,000.

The U.S. Forestry Campground and portions of the Snow Valley Ski Area and the Green Valley Ski Area are located on lands of the U.S. Forest Service. Assessments were not levied on these lands. Therefore, the U.S. Forest Service and Forest Service permittees will be required to make full payment of their portion of the cost of the system before they can hook up to the sewer system. The amount of their contribution is estimated at \$73,088.73. The Board of Supervisors has authorized the County to advance the amount of the permittees' contributions pending their payment.

FINANCIAL DATA

Assessed Valuations

The San Bernardino County Assessor determines the assessed valuation of property for ad valorem property taxes levied by the County, cities, school districts and special districts within the County, except for public utility property, which is assessed by the state. The State Board of Equalization reports that the 1976/77 San Bernardino County assessed valuations average 23.7 percent of full cash value, except for public utility property, which is assessed at 25 percent of full cash value.

Under California State Law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a recently enacted Constitutional Amendment, the California legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for delinquencies.

The following table shows the 1976/77 assessed valuation of San Bernardino County before and after giving effect to state reimbursed exemptions. The same information is given for County Service Area No. 79 (C.S.A. 79), a special district of the county within which the community of Green Valley Lake is located.

SAN BERNARDINO COUNTY

1976/77 Assessed Valuation (1)

Tax Roll	Taxable Assessed Valuation	Homeowners and Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Secured	\$1,794,398,575	\$259,480,075	\$2,053,878,650
Utility	287,711,960	5,010	287,716,970
Unsecured	169,431,395	47,813,715	217,245,110
Total	\$2,251,541,930	\$307,298,800	\$2,558,840,730

Source: San Bernardino County Auditor-Controller.

(1) The figures do not include the incremental assessed valuation of property within redevelopment project areas: \$27,769,360.

COUNTY SERVICE AREA NO. 79

1976/77 Assessed Valuation

Tax Roll	Taxable Assessed Valuation	Homeowners and Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Secured	\$4,327,305	\$118,600	\$4,445,905
Utility	92,660	—	92,660
Unsecured	12,285	5,330	17,615
Total	\$4,432,250	\$123,930	\$4,556,180

Source: San Bernardino County Auditor-Controller.

Following is a summary of the total assessed valuations for revenue purposes of San Bernardino County over the past ten years.

SAN BERNARDINO COUNTY

Assessed Valuations For Revenue Purposes (1)

Fiscal Year	Assessed Valuation For Revenue Purposes	Percent Increase
1967/68	\$1,423,084,930	—%
1968/69	1,491,988,750	4.8
1969/70	1,493,706,600	.1
1970/71	1,581,887,757	5.9
1971/72	1,799,178,600	13.7
1972/73	1,934,072,640	7.5
1973/74	2,070,347,660	7.1
1974/75	2,216,684,855	7.1
1975/76	2,358,744,782	6.4
1976/77	2,558,840,730	8.5

Source: San Bernardino County Auditor-Controller.

(1) The figures do not include the incremental assessed valuation of property within redevelopment project areas.

Tax Rates

The County of San Bernardino provides for the assessment and collection of taxes in the County. Taxes for the County and for cities, special districts, and school districts within the County appear on the same bill. Secured taxes are assessed on March 1, are payable November 1 and February 1, and become delinquent on December 10 and April 10. Taxes on properties assessed on the unsecured roll are assessed and are payable on March 1, and become delinquent on August 31 in the following fiscal year.

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits all future general purpose tax rates to that imposed during either the 1971/72 or 1972/73 fiscal year, or the rates set by the enabling statute of the particular taxing entity. Tax rate limits may be raised by any amount which is approved by a majority vote of the electorate. Tax rates may also be increased under an inflation or "cost-of-living" formula incorporated in the legislation. This legislation does not restrict tax rates levied for certain limited purposes, e.g. general obligation bonds or for voter approved pension plans.

The total San Bernardino County tax rate for the 1976/77 fiscal year is \$3.1616 per \$100 assessed valuation. The maximum tax rate which the County could have levied in fiscal year 1976/77 was \$3.3020 per \$100 assessed valuation. The maximum tax rate which the County may levy in fiscal year 1977/78 is anticipated to remain at \$3.3020 per \$100 assessed valuation. The tax rate for the 1976/77 fiscal year of C.S.A. 79 is \$1.1175 per \$100 assessed valuation. The maximum tax rate that could have been levied for C.S.A. 79 in fiscal year 1976/77 was \$1.2376 per \$100 assessed valuation.

A summary of the total assessed valuations for revenue purposes of C.S.A. 79 for the past five years is shown below.

COUNTY SERVICE AREA NO. 79

Assessed Valuations For Revenue Purposes

Fiscal Year	Assessed Valuation For Revenue Purposes
1972/73	\$3,051,310
1973/74	3,210,530
1974/75	3,308,725
1975/76	4,544,515
1976/77	4,556,180

The community of Green Valley Lake and all but four parcels within Assessment District No. 74-1 are located within C.S.A. 79, a special district of the County. C.S.A. 79 consists of the Tax Code Areas 10555 and 10556. The 1976/77 assessed valuation for revenue purposes of Tax Code Area 10556 is \$4,425,580 which represents 99.85 percent of the total assessed valuation for C.S.A. 79. Tax Code Area 10556 has a total tax rate of \$11.5155 per \$100 assessed valuation for 1976/77. Total tax rates in Tax Code Area 10556 for the most recent five-year period are shown in the following tabulation.

TAX CODE AREA 10556

Tax Rates per \$100 Assessed Valuation

Agency	1972/73	1973/74	1974/75	1975/76	1976/77
County of San Bernardino	\$ 3.1344	\$ 3.1327	\$ 3.1466	\$ 3.1466	\$ 3.1616
County Service Area 38(1)	1.1266	—	—	—	—
County Service Area 70 .....	.0006	.0007	.0007	.0007	.0009
County Service Area 79	1.0828	.8367	.7826	.7833	1.1175
Schools	4.2636	4.2396	4.3526	4.4478	5.3355
Flood Control Zone .....	.0816	.0816	.0800	.0800	.0800
Water District	1.6200	1.6200	1.6200	1.1900	1.6200
Hospital District .....	.2000	.2000	.2000	.2000	.2000
Total All Property	\$ 10.5096	\$ 10.1113	\$ 10.1825	\$ 9.8979	\$ 11.5155
Soil Conservation(2)	—	.0200	.0200	.0200	—
Total All Rates	\$ 10.5096	\$ 10.1313	\$ 10.2025	\$ 9.9179	\$ 11.5155

Source: San Bernardino County Auditor-Controller.

(1) Prior to the formation of C.S.A. 79, C.S.A. 38 provided fire protection. After C.S.A. 79 was formed, the portion of C.S.A. 38 that overlapped C.S.A. 79 was detached from C.S.A. 38.

(2) Levied on the assessed value of land only.

Secured Tax Levies and Delinquencies

A five-year record of secured tax levies and delinquencies for taxes levied by all taxing entities in San Bernardino County appears in the tabulation below.

SAN BERNARDINO COUNTY

Secured Tax Levies, and Delinquencies

Fiscal Year	Secured Tax Levy	Delinquency as of June 30	
		Amount	Percent
1971/72.....	\$184,084,249	\$4,644,861	2.52%
1972/73.....	202,922,066	6,031,726	2.97
1973/74.....	192,009,893	6,461,464	3.36
1974/75.....	206,715,777	8,072,681	3.90
1975/76.....	226,590,912	7,868,540	3.47

Source: San Bernardino County Auditor-Controller

The record of current secured tax levies and delinquencies for taxes levied by all taxing entities in Tax Code Area 10556 over a four-year period appears below. No data is included in years before fiscal year 1972/73 because C.S.A. 79 and Tax Code Area 10556 had not yet been formed.

TAX CODE AREA 10556

Secured Tax Levies, and Delinquencies

Fiscal Year	Secured Tax Levy	Delinquency as of June 30	
		Amount	Percent
1972/73.....	\$ 306,281	\$ 7,397	2.42%
1973/74.....	311,588	7,706	2.47
1974/75.....	324,198	7,856	2.42
1975/76.....	453,249	8,461	1.87

Source: San Bernardino County Auditor-Controller.

Major Taxpayers

Southern California Edison Co., Kaiser Steel Corp. and General Telephone Co. are the largest taxpayers in San Bernardino County. Taxes levied on the county's ten largest taxpayers for the 1976/77 tax year are shown in the following tabulation.

SAN BERNARDINO COUNTY

Major Taxpayers 1976/77

Taxpayer	Business	Taxes Levied (1)
Southern California Edison Company	Utility	\$13,047,160.54
Kaiser Steel Corporation	Manufacturer	9,653,975.81
General Telephone Company	Utility	5,313,625.42
Pacific Telephone & Telegraph Company	Utility	2,997,788.88
Continental Telephone Company	Utility	2,477,074.88
Southern California Gas Company	Utility	2,226,751.20
Santa Fe Railway & Land Company	Transportation	1,489,622.34
Southern Pacific Transportation & Land Company	Transportation	1,409,136.44
Kerr-McGee Chemical Corporation	Manufacturer	1,385,707.02
Pacific Gas & Electric Company	Utility	1,263,504.06

(1) Total property tax levied for county, city, schools, and special districts.

Source: San Bernardino County Tax Collector.

Employee Retirement

San Bernardino County Employees are covered under the Fixed Formula Retirement Plan which became effective July 1, 1964. The management of the San Bernardino County Employees Retirement Association is vested in the Board of Retirement, consisting of nine members and one alternate member. One member is the County Treasurer. Four members are appointed by the Board of Supervisors, one of which is usually a member of the Board of Supervisors and three are persons independent of County government. Two members are elected by and represent general members, one for safety members (usually the sheriff's department) and one for retirees. The alternate member is elected by and represents safety members (usually the fire department).

Administrative functions are carried out under the direction of the Chief Retirement Clerk who has a staff of four. Presently there are about 6,800 members of which approximately 87 percent are classified as "general" or "regular" members (management, administrative, staff, operational and clerical employees). "Safety" members (principally fire and law enforcement personnel) constitute about 12 percent of the membership. The remaining one percent are "special district" employees with social security benefits.

General members were also under the Social Security System until January 1, 1976. Safety members have never been under Social Security. The only members of the retirement system remaining within the Social Security System are some special districts employees.

Every employee occupying a regular position becomes a member of the Retirement Association on the first day of the payroll period next following the date of the member's appointment. Those employees hired after their 60th birthday are not eligible for membership in the Retirement Association.

General and safety members with 10 years of service, who have attained age 50, are eligible to retire. Safety members with 20 years of service or general members with 30 years of service, regardless of age, are eligible to retire. Retirement is compulsory, except in the case of elected officials, on the first day of the month following that in which a member attains the age of 65. Compulsory retirement age for safety members is 60.

The annual reports for the association are prepared by the Chief Retirement Clerk and his staff. The San Bernardino Auditor-Controller conducts an annual audit. The audit of the 1976 annual report is currently underway and the figures are not available for the year ending December 31, 1976.

Towers, Perrin, Forster & Crosby, Inc. is the independent actuary for the association. An actuarial investigation and valuation covering the period July 1, 1973 to June 30, 1976 was recently completed as required under Section 31453 of the Government Code of the State of California.

The retirement plan funding is by employer and employee contributions together with investment income. The contributions by San Bernardino County for the 1974 and 1975 calendar years were \$8,550,960.87 and \$10,833,933.16 respectively.

The annual report lists total assets of the association for the year ending December 31, 1975 at \$129,415,365.97. The comparable figure for December 31, 1974 was \$111,289,497.17. The total assets as of December 31, 1976 based on an unaudited report are reported to be \$150,391,091.91.

According to the actuarial investigation, the total assets as of June 30, 1976 were \$140,527,264.55. Based upon this figure, the assets equalled 69.5 percent of the value of accrued benefits. Assuming that the actuary's recommendations are followed for changing the actuarial cost method, the unfunded obligation will be satisfied by June 30, 2006.

The County contributes a fixed rate for each category of member. Beginning July 1, 1974 the rate was 12.72 percent of the gross salary of general members and those in the special districts category. The rate includes a cost of living increase. The rate remains the same for special districts members and is not expected to change. However, on January 1, 1976, when the general members were no longer covered under Social Security, the contribution rate by the County increased to 15.18 percent of gross salary. The rate for safety members has been 18.96 percent since July 1, 1974. Member contribution rates are based upon the age nearest birthday at the time of entrance into the retirement system.

Based upon the findings of the 1976 actuarial investigation, there are some anticipated changes in the contribution rates of the County, the general members and the safety members. The Retirement Board has approved the changes. The changes were approved by the Board of Supervisors on May 31, 1977.

There were two basic changes made in the actuarial valuation from previous studies. First, the actuarial cost method used was changed from the "aggregate cost method" to the "entry age normal cost method." The entry age normal cost method funds the unfunded supplemental present value over a thirty year period. Since thirty years is greater than the average working life-time of employees, contributions on this basis are generally lower than the aggregate cost method contributions.

Second, the actuaries assumed that the salaries of employees will increase in the future at a rate of 3½ percent per annum, compounded annually.

The actuaries made two recommendations concerning contribution rates. The first was based on the County's contribution assuming the entire burden of the 3½ percent salary scale and the second applying the 3½ percent salary scale to both employer and employee contribution. They further recommended that if County Counsel were to determine that there was no legal obstacle to using an inflationary 3½ percent salary scale in determining employee contributions, it should be done. County Counsel's opinion is that there are no legal obstacles and in fact there is a legal obligation to apply it to employee contributions under Sections 31621.3, 31621.6 and 31639.25 of the Government Code of the State of California.

The actuarial report indicates that the total supplemental present value of all cost of living increases granted through June 30, 1976, was \$18,510,719.00. There was on that date a balance of \$404,759.00 in the cost of living reserve account, leaving an unfunded balance of \$18,206,960.00. The actuaries recommended that all available surplus, that amount in excess of 1 percent of the assets of the fund (\$11,935,639.00), be transferred from the surplus account to the cost of living reserve account, leaving an unfunded balance of \$6,271,321.00 to be funded by the County's contribution rate. This transfer has been made. Included in the present county contribution rate is 1.26 percent of compensation of general members and 1.89 percent of compensation of safety members for the cost of living reserve. The recommended contribution rates for the cost of living reserve are 1.27 percent and 1.95 percent respectively.

The following changes in the interest assumption rate and contribution rates were approved, by the Board of Supervisors to be effective on July 2, 1977, the first pay period of fiscal year 1977/78.

The interest assumption rate was set at 5½ percent.

The County's contribution for general members under Section 31676.15 of the California Government Code was set at 13.13 percent of compensation.

The special districts' contribution for general members under Section 31676.11 of the California Government Code was set at 12.72 percent compensation.

The County's contribution for safety members under Section 31664 of the California Government Code was set at 19.97 percent of compensation.

The employee contribution rates for general members under Section 31676.15 and 31676.11 of the California Government Code and safety members under Section 31664 of the California Government Code was set as recommended by the Board of Retirement.

Revenues, Expenditures, and Fund Balances

A summary of county revenues and expenditures for the most recent five-year period, as reported to the California State Controller, is presented in Table 3.

The following chart shows the ending fund balances for 1972/73 to 1975/76, as reported by the San Bernardino County Auditor-Controller.

SAN BERNARDINO COUNTY Fund Balances

Fund	Balance As Of June 30				
	1972	1973	1974	1975	1976
General Fund	\$ 3,631,837	\$ 5,935,264	\$ 14,045,622	\$ 9,202,161	\$ 23,221,662
Other County Wide Funds.....	9,631,354	23,098,748	27,978,612	29,895,944	33,929,484
Less than County Wide Funds.....	119,405	187,772	139,262	93,203	142,485
Total	\$ 13,382,596	\$ 29,221,784	\$ 42,163,496	\$ 39,191,308	\$ 57,293,631

Table 3**SAN BERNARDINO COUNTY****Summary of Revenues and Expenditures**

Fiscal Year:	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES					
Property Taxes	\$ 52,902,503	\$ 57,474,860	\$ 57,069,487	\$ 59,760,893	\$ 65,385,170
Other Taxes	4,713,015	5,530,986	8,055,233	8,740,931	9,014,592
Licenses and Permits.....	1,138,443	1,242,081	1,200,444	1,234,898	2,431,618
Fines and Penalties	3,238,445	3,158,572	3,695,864	4,261,466	4,256,630
Use of Money and Prop- erty	1,517,272	1,982,493	3,581,393	4,893,455	4,912,184
From Other Govern- ment Agencies	79,243,719	92,326,405	90,884,868	94,501,055	109,443,918
Service Charges	17,237,751	21,775,361	23,392,228	6,387,962	9,256,157
Other	1,296,828	2,137,786	2,430,313	5,353,364	1,260,043
Total	\$161,287,976	\$185,628,544	\$190,309,830	\$185,134,024	\$205,960,312
EXPENDITURES					
General Government	\$ 22,289,702	\$ 19,600,652	\$ 28,188,701	\$ 29,631,791	\$ 31,630,260
Public Safety.....	24,590,229	32,772,710	38,086,251	44,781,734	47,070,211
Public Ways and Facil- ities(1)	9,733,982	10,574,296	12,979,019	11,087,829	12,157,303
Health and Sani- tation(2)	4,567,969	6,142,380	8,618,746	20,751,663	19,295,628
Public Assistance(2)	94,312,360	97,274,644	90,808,990	69,133,323	87,593,675
Education.....	2,734,103	2,934,878	3,168,990	3,548,484	3,766,406
Recreation	799,775	1,024,298	2,064,806	1,631,311	1,432,061
Debt Service	523,425	521,270	522,836	384,609	656,010
Public Services(1)	401,846	480,241	—	—	—
Total	\$159,953,391	\$171,325,369	\$184,438,339	\$180,950,744	\$203,601,554

Source: San Bernardino County Auditor-Controller, 1975/76

California State Controller, 1971/72 to 1974/75

(1) Prior to the 1973/74 fiscal year this category was listed as "Roads." However, the name was changed and airports and other transportation systems expenditures were included beginning in 1973/74. The public services category, where they were previously listed, was abolished.

(2) Beginning with the 1974/75 fiscal year, expenditures for hospital care were included under Health and Sanitation. Prior to that time, they were included under Public Assistance.

County Service Area No. 79 was formed on January 1, 1972. A summary of its revenues, expenditures, and fund balances for the fiscal years 1972/73 through 1975/76 is presented in the following table.

COUNTY SERVICE AREA NO. 79

Summary of Revenues, Expenditures and Fund Balances

Fiscal Year:	1972/73	1973/74	1974/75	1975/76
Beginning Fund Balance as of July 1	\$ —	\$ 10,770(1)	\$ 13,181	\$ 15,901
REVENUES				
Property Taxes				
Current Secured	\$ 31,451	\$ 24,480	\$ 23,734	\$ 34,497
Current Unsecured		128	87	87
Prior Secured		1,913	1,512	1,176
Prior Unsecured				8
State Property Tax Relief	333	739	790	915
Federal and State Grants			426	175,870
Other	3,800		1,207	
Total Revenues	\$ 35,584	\$ 27,260	\$ 27,756	\$ 212,553
EXPENDITURES				
Expenditures	\$ 22,326	\$ 17,680	\$ 17,693	\$ 188,252
NET REVENUES	13,258	9,580	10,063	24,301
ADJUSTMENTS	(2,487)	(7,169)	(7,343)	(1,562)
Ending Fund Balance as of June 30	\$ 10,771(1)	\$ 13,181	\$ 15,901	\$ 38,640

Source: San Bernardino County Auditor-Controller.

(1) The difference in the 1972/73 Ending Fund Balance and the 1973/74 Beginning Fund Balance is due to rounding.

Direct and Overlapping Bonded Debt

As of May 31, 1977, San Bernardino County's total gross and net direct and overlapping bonded debt was \$233,559,433 and \$230,043,433, respectively, as presented in Table 4 which was prepared from information provided by California Municipal Statistics, Inc. of San Francisco, California.

Table 4

COUNTY OF SAN BERNARDINO

Statement of Direct and Overlapping Bonded Debt

Population-January, 1977(1).....	723,800		
1976/77 Assessed Valuation	\$ 2,558,840,730		
Estimated 1976/77 Market Value(2)	\$10,733,670,000		

	Percent Applicable	Debt May 31, 1977
DIRECT AND OVERLAPPING BONDED DEBT:		
San Bernardino Co. Bldg. Authorities	100. %	\$ 13,830,600
San Bernardino Co. Free Library Authorities	100.	1,045,000
Metropolitan Water Districts	2.097	11,244,952
Other Water Districts	100.	47,540,405
Sanitation Districts	100.	20,685,000
County Service Areas	100.	10,035,000
Other Special Districts	100.	3,948,400
Community College Districts	0.523-100.	3,105,783
Unified School Districts	0.573-100.	66,012,813
School and High School Districts	100.	18,749,480
Cities	100.	37,362,000
TOTAL GROSS DIRECT AND OVERLAPPING BOND- ED DEBT		\$233,559,433
Less: Self-supporting water and sewer bonds		3,516,000
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT		\$230,043,433

	Percentage of		
	Assessed Valuation	Full Cash Value	Per Capita
Assessed Valuation.....	—	—	\$3,534
Gross Direct Debt	0.581%	0.139%	21
Gross Direct and Overlapping Debt	9.128	2.176	322
Net Direct and Overlapping Debt.....	8.990	2.143	317

(1) Population estimate—California State Department of Finance.

(2) Based on State Board of Equalization report that assessed valuation for San Bernardino County averaged 23.7 percent of full cash value for the 1976/77 fiscal year, except public utility property which is assessed by the State at 25 percent.

(3) Excludes sales, if any, following the date of this Official Statement; also excludes revenue bonds, advance refunding bonds, outstanding County and city 1915 Act bonds (\$10,460,415) and the County 1915 Act bonds currently being offered.

ECONOMIC DATA

SAN BERNARDINO COUNTY

San Bernardino County, covering 20,160 square miles, is the largest county in the 48 contiguous states and encompasses more land area than the four states of Delaware, Massachusetts, New Jersey and Rhode Island combined. The County borders Los Angeles and Kern Counties on the west, Arizona and the Colorado River on the east, Inyo County on the north, and Riverside County on the south.

The County is composed essentially of three geographical regions—valley, mountain, and desert. The Mojave Desert, in the northern and eastern portions comprises over 90 percent of the County area. The San Bernardino Mountains occupy the southwest portion. Elevations within the County range from 11,502 feet at San Geronio Peak to 181 feet at Saratoga Springs in Death Valley.

Even though a large part of the County consists of publicly-owned land, the economic base is varied. A strong agricultural complex produced over 343 million dollars worth of farm products in 1976. A number of large industries are located in the area. The County is a major western railroad center for three transcontinental lines and includes two of the nation's largest and most modern marshalling yards. The County also has one of the largest airport facilities in Southern California at Ontario. Highways within the County comprise an integral part of the state's major highway and freeway system and of the federal interstate system.

San Bernardino County was created on April 23, 1853. A three-member elected Board of Supervisors became the county governing body in 1855. Later the Board was expanded to five members. The County is divided into five supervisorial districts which are apportioned by population and each supervisor is elected by the voters of his own district.

The Board of Supervisors is ultimately responsible for the operation of eight agencies and nearly 50 County departments. In addition, the Board of Supervisors is the governing body for more than 100 Board-governed special districts and improvement zones which have been formed to provide local services.

Climate

Climatic conditions in San Bernardino County vary with the topography. In the valley region, average high and low temperatures range from 96 and 57 degrees in July to 67 and 37 degrees in January. The annual rainfall averages 15 inches, most of it occurring during the winter months.

In the mountains, the typical four-season climate of higher elevations is found, except that extremes are moderated by the combined influence of sea breezes from the west, and warm dry desert air from the east. Average high and low temperatures range from 78 and 44 in July to 42 and 16 in January. Normally the annual snowfall results in 39-40 inches of precipitation. The yearly rainfall in the foothills areas averages 23 inches.

The desert area averages a yearly rainfall of about four inches. The average high and low temperatures vary from 98 and 59 degrees in July to 57 and 34 degrees in January.

According to the San Bernardino County Flood Control District, the rainfall as of May, 1977 is about 75 percent of normal. Precipitation is measured on the basis of the water year which runs from October 1st to September 30th, thus the 1976-77 water year has not yet ended. The San Bernardino County area as a whole does not seem to be severely affected by the drought prevalent in California and the other Northwestern states. However, the areas of Big Bear Lake Valley and Pinion Hills have been identified by the California Water Resources Agency as drought impacted areas.

Population

The County's population increased by 35.5 percent from 1960 to 1970, almost seven percent higher than the Southern California region during the same period. San Bernardino currently ranks sixth in population among the state's 58 counties. Nearly a quarter of County residents live in the two major valley cities of San Bernardino and Ontario. San Bernardino is the County seat and has a population exceeding 103,000. It is located 59 miles east of Los Angeles and 110 miles northeast of San Diego. The January, 1977 population of the City of Ontario is reported at 66,600 by the California Department of Finance. Nine other cities in the County have populations over 10,000.

In January 1977 the County had 723,800 inhabitants according to an estimate by the State Department of Finance. Largest percentage gains in population have been in the unincorporated and semi-rural areas of the County, reflecting the growing popularity of desert living in California.

The following tabulation shows the population growth in the County.

SAN BERNARDINO COUNTY

Population Growth

Census	Population	Percent Increase
1940.....	161,108	—
1950.....	281,642	74.8
1960.....	503,591	78.8
1970.....	682,233	35.5
1976(1).....	723,800	6.1

Source: U.S. Census Bureau

(1) Population estimate—California State Department of Finance, January, 1977.

Employment

Government, trade, manufacturing and services are the principal sources of jobs in the County. More than 25 percent of all employed civilians work for government agencies. Of this group, over 84 percent work in state and local government, with the remainder holding positions in federal service.

Trade and services have been the most rapidly expanding industry groups. While wholesale trade averages a minor part of total employment in the trade category, it supports a large wholesale distributing center in the inland area due to the County's concentration of rail transportation and agricultural and mining resources.

Retail trade jobs have been increasing as a result of new shopping centers opening in both smaller communities and the larger cities. Retail jobs account for over 84 percent of the total jobs in the trade category.

In manufacturing, durable goods plants account for almost three-fourths of all factory workers. Primary metals and transportation equipment report the largest aggregate payrolls in the manufacturing sector, followed by the stone-clay-glass industries.

The State Department of Employment Development combines San Bernardino County with Riverside County for the purposes of reporting current employment in the Riverside-San Bernardino-Ontario Metropolitan Area.

The tabulation on the following page summarizes employment patterns by major category in this Metropolitan Area, taken from the most recent quarterly returns of private employers and government entities reporting payroll taxes. As of April, 1977, total civilian employment in this two-county area was 485,500, compared with 482,900 in April, 1976.

RIVERSIDE-SAN BERNARDINO-ONTARIO LABOR MARKET AREA**Civilian Employment by Industry (1)**

Industry	April 1977	April 1976
Manufacturing	52,700	52,800
Construction	13,100	13,000
Transportation, Communications & Utilities	19,400	18,800
Trade	83,900	82,000
Finance, Insurance & Real Estate	13,600	13,200
Services	73,200	70,800
Government	93,800	90,800
Agriculture, Forestry, Fisheries	21,400	20,200
Mining	2,300	2,200
Total	373,400	363,800

(1) Excludes employers, own-account workers, unpaid family workers, and domestic servants.

Source: California Department of Employment Development.

The following chart shows a summary from 1972-1977 of the civilian labor force, employment and unemployment for the Riverside—San Bernardino—Ontario Labor Market Area. The statistics are based upon the number of people residing within the Labor Market Area even though they may not work within the area. The figures also include employers, own—account workers, unpaid family workers and domestic servants. The figures shown are the yearly averages for the periods stated unless otherwise indicated.

RIVERSIDE - SAN BERNARDINO - ONTARIO LABOR MARKET AREA**Civilian Labor Force, Employment, and Unemployment**

Year	Labor Force	Employment	Unemployment	Unemploy- ment Rate (1)
1972	441,000	409,000	32,000	7.3%
1973	458,000	427,000	31,000	6.8
1974	486,000	444,000	42,000	8.6
1975	482,000	435,000	47,000	9.8
1976	485,000	437,000	48,000	9.9
1977(2)	487,000	443,000	44,000	8.9

Source: California Department of Employment Development

(1) Unadjusted for seasonal changes.

(2) January—April, 1977

Major employers in San Bernardino, Riverside, and vicinity, as reported in the County Industrial Directory and Community Economic Profiles, are listed on the following page.

RIVERSIDE-SAN BERNARDINO-ONTARIO LABOR MARKET**Selected Major Employers**

Employer	Product/Service	No. of Employees
MANUFACTURING EMPLOYMENT:		
Alcan Aluminum Corporation	Aluminum mill products	530
Amax Aluminum Mill Products, Inc.	Aluminum sheet, tubing	500
Amcord/Riverside Cement Co.	Portland cement	325
Bourns, Inc.	Precision electro mech. instruments	1,430
California Portland Cement Co.	Cement	300
FMC Corporation	Food processing machinery	310
General Electric Co.	Electrical equipment	1,200
General Electric Co.	Jet engine overhaul	425
Kaiser Steel Corporation	Steel and iron	8,300
Kaiser Steel Fabricating Division	Steel plate/pressure vessels	700-1,000
Kerr-McGee Chemical Corporation	Chemicals	1,100
Lily-Tulip Division, Owens-Illinois	Paper cups and containers	430
Lockheed Aircraft Service	Aircraft products	1,400
Muskin Corp., sub. of Amcord	Recreational products	1,000
National Can Co.	Metal containers	350
Parco-Plastic & Rubber Products Co.	Plastic and rubber products	600
Press-Enterprise Co.	Newspaper publisher	585
Rohr Industries	Aerospace components	1,500
Sun Company, The	Printing and publishing	500
Sunkist Growers, Inc.	Citrus products	1,100
Toro Co., Irrigation Div.	Sprinkler systems	325
NON-MANUFACTURING EMPLOYMENT:		
Central City Mall	Regional shopping center	3,000
General Telephone Company	Communications	375
Inland Center Mall	Regional shopping center	2,500
Kaiser Hospital & Medical Group	Medical care	1,925
Kasler Corp.	Highway construction	400-800
Loma Linda University and Hospital	Education and medical care	2,900
March Air Force Base	Defense (Civilians only)	846
Norton Air Force Base	Defense (Military and Civilians)	11,000
Riverside County	County administration	5,375-5,939
Riverside School District	Education	2,500
San Bernardino County	County administration	7,000
San Bernardino School System	Unified school system	3,000
San Bernardino State College	State College	469-632
San Bernardino Valley College	Community college	1,500
Santa Fe Railroad	Transportation	3,000
Southern Pacific Railroad	Transportation	1,350
Southern California Edison Co.	Electrical—utility	600
Southern California Gas Co.	Gas—utility	442
TRW Systems Group	Research/program management	750
University of California, Riverside	Education	3,000

Industry

Reflecting strong industrial activity, the San Bernardino County Industrial Directory lists over 1,100 fabricating, manufacturing, and processing firms ranging in size from less than 10 employees to more than 1,000 employees.

The County's metal industry is dominated by Kaiser Steel Corporation at Fontana, site of the largest integrated steel mill west of the Mississippi, with a rated capacity in excess of 3,400,000 tons. Four Kaiser fabricating plants and the steel mill employ between 9,000 and 9,300 people. Many related metal fabricating plants are also located in the area. There are 22 primary metal companies and 85 fabricating companies in San Bernardino County.

Transportation equipment is the next largest industry and includes manufacturers of mobile homes and trailers, fiberglass parts, truck trailers and automobile parts, and aircraft maintenance.

Producers of stone, clay, and glass products account for a substantial share of industrial employment and payrolls in the County. Leaders in this category are cement and its numerous end products.

Another major industry is food processing, particularly citrus fruits in canned, frozen, and concentrated form. The largest firm in this sector is the Orange Products Division of Sunkist Growers, Inc. Located in Ontario, the firm employs over 700 people. The Lemon Products Division at Corona, Riverside County, employs 400.

Other industries contributing to increasing industrial employment in San Bernardino County are machinery, electrical equipment, printing and publishing, furniture and fixtures, and chemicals.

Minerals

The County's leading mineral product is cement. Substantial production of limestone is used in the manufacture of cement at four plants in the County.

The Mountain Pass District of the County has provided the largest deposit of high-grade rare earth minerals in the western hemisphere. Many deposits of both primary and secondary uranium ores have been found.

Kerr-McGee Chemical Corporation, one of the largest taxpayers in the County, is adding a new plant to its facilities in Trona for expanded production of soda ash and salt cake. Annual production of one million tons is planned to be boosted to 2,300,000 tons after completion in 1978.

The cost of the expansion is estimated at \$250 million. There is a combined employment of 1100 workers at the 2 plants now in operation. It is expected that 250 additional workers will be needed to operate the new plant. Kerr-McGee expects its 1977 annual payroll to be \$24 million. That figure is expected to increase to \$29 million in 1978 after the new facility goes into operation.

Building Activity

The following tabulation summarizes the value of building activity in San Bernardino County for the past five calendar years. As depicted in the tabulation, residential and non-residential building declined in 1973 and 1974 but it has accelerated in 1976. The total valuation in 1976 was \$515,552,000 which represents a 65 percent increase from the 1975 total.

SAN BERNARDINO COUNTY

Building Permit Valuations and New Dwelling Units

Calendar Year:	1972	1973	1974	1975	1976	1977 (1)
VALUATION (\$000 omitted)						
Residential:						
Single Family	\$114,253	\$112,789	\$91,903	\$185,659	\$382,444	\$58,613
Multiple Dwellings ...	42,767	26,568	10,009	8,207	7,888	3,687
Alterations.....	12,993	13,922	17,537	23,201	28,511	4,129
Non-Residential:						
Commercial.....	22,347	29,342	27,449	17,669	39,681	8,760
Industrial.....	9,855	11,644	10,394	38,472	14,655	1,475
Alterations.....	8,332	7,459	6,881	7,031	9,244	1,621
Other	33,457	42,010	33,295	30,833	33,129	6,306
Total Valuation.....	\$244,004	\$243,734	\$197,468	\$311,072	\$515,552	\$84,591
NEW DWELLING UNITS						
Single Family.....	5,989	5,190	3,473	5,192	10,008	1,511
Multiple Dwellings	3,931	1,962	634	494	472	253
Total Units	9,920	7,152	4,107	5,686	10,480	1,764

Source: "California Construction Trends," Security Pacific National Bank.

(1) Only includes figures for January and February, 1977.

Agriculture

Commercial farm production for San Bernardino County in 1976 had a gross production value of more than \$343 million. This was an all-time high and 12 percent greater than 1975, also a record year. Nineteen commodities have an annual valuation in excess of \$1 million, as reflected in an accompanying tabulation.

Milk and eggs are the leading farm products, accounting for 75 percent of total output. The County has 300 dairies and is the leading milk producing county in the nation. Gross values of agricultural production for the past five years are shown below.

SAN BERNARDINO COUNTY

Value of Agricultural Production (\$000 omitted)

Commodity	1972	1973	1974	1975	1976
All Crops.....	\$ 35,391	\$ 48,836	\$ 41,850	\$ 39,976	\$ 45,324
All Poultry	43,106	79,699	73,492	73,485	85,255
Other Livestock	114,977	134,916	176,098	194,488	212,687
Total.....	\$193,474	\$263,451	\$291,440	\$307,949	\$343,266

Source: San Bernardino County Agricultural Commissioner.

SAN BERNARDINO COUNTY

Million Dollar Crops in 1976

1. Milk	\$190,040,000	11. Lemons.....	\$ 3,641,000
2. Eggs	65,590,000	12. Grapes	1,801,000
3. Cattle and Calves.....	18,241,000	13. Apples	1,783,000
4. Alfalfa Hay	8,948,000	14. Grain Hay	1,588,000
5. Turkeys.....	8,457,000	15. Grapefruit	1,588,000
6. Nursery Products	5,681,100	16. Pasture-Permanent	1,328,000
7. Chicken Fryers.....	5,599,000	17. Hogs and Pigs	1,104,000
8. Navel Oranges	4,986,000	18. Baby Chicks	1,059,000
9. Valencia Oranges.....	4,069,000	19. Sudan Grass	1,051,000
10. Pullets.....	3,690,000		

Source: San Bernardino County Agricultural Commissioner.

Other agricultural areas in the western states have been experiencing crop losses due to drought conditions. However, according to the County Agricultural Commissioner, no serious crop damage nor substantial reduction in yield is expected in San Bernardino County.

Military and Aerospace

Four major military installations are located in San Bernardino County while two other facilities with headquarters in adjacent counties occupy portions of the County. Norton Air Force Base, near the City of San Bernardino, employs the largest military and civilian contingent, and has an impact on the local economy exceeding \$229 million annually, according to estimates of the local Chamber of Commerce. The principal installation at Norton is the 63rd Military Airlift Wing, and the base serves as one of the three ports of air embarkation and debarkation for the Pacific theatre.

George Air Force Base, near Victorville, is headquarters for the 35th Tactical Fighter Wing, providing pilot and maintenance crew training.

The Marine Corps Supply Station near Barstow has the responsibility of storage, maintenance, repair, issuance and shipment of military materials to Marine Corps installations worldwide. Advantages of the base include its desert site with low humidity and rainfall and excellent transportation facilities. Another Marine Corps facility located at Twenty-nine Palms covers an area of 932 miles, principally serving training functions for regular and reserve forces.

Portions of Edwards Air Force Base and the Naval Ordnance Test Station, China Lake, are located in the County. As of April, 1975, military installations in San Bernardino County had an estimated complement of approximately 16,100 military and 6,200 civilian personnel.

A multiplicity of aerospace activities in San Bernardino County has attracted contractors and related installations, technical and marketing offices, and highly skilled personnel to service this rapidly changing field. Aerospace industry technology is being introduced into civilian-oriented fields by firms locating in the County.

The Goldstone Deep Space Communication Complex, located in the Mojave Desert about 45 miles from Barstow, has the intricate task of remote control of the spacecraft used in the U.S. unmanned lunar and planetary exploration performed by the Deep Space Network (DSN). The DSN is the only facility in the Free World especially designed to control and collect data from spacecraft traveling many millions of miles from Earth, and is operated for NASA under the direction of the Jet Propulsion Laboratory. Goldstone employs 458 people.

Commerce

Taxable sales in San Bernardino County were over \$2 billion in 1976. This represents an increase of \$366 million over total taxable sales in 1975. The accompanying chart presents a summary of total taxable transactions in the county since 1971.

SAN BERNARDINO COUNTY

Taxable Transaction 1971-76(1) (\$000 omitted)

	Retail Stores	Business & Personal Services	All Other Outlets	All Outlets
1971.....	\$ 952,381	\$43,711	\$262,571	\$1,258,663
1972(2).....	1,115,231	48,395	309,352	1,472,978
1973.....	1,279,608	57,290	349,525	1,686,423
1974.....	1,354,669	60,928	408,244	1,823,841
1975.....	1,471,122	66,400	439,651	1,977,173
1976.....	1,726,263	75,388	541,685	2,343,336

Source: California State Board of Equalization

(1) Taxable transactions are computed from tax payments. Excluded are sales of food for home consumption, prescription medicines, other nontaxable items, and taxable sales disclosed by board audits.

(2) Sales of gasoline for highway use became taxable July 1, 1972.

Transportation

San Bernardino County is served by three transcontinental railroads—Southern Pacific, Santa Fe, and Union Pacific. Within recent years, Southern Pacific has completed two major projects in the County. A 78-mile rail link from Palmdale to Colton, completed in 1967, enables SP to bypass the Los Angeles area when freight is marked for other destinations. Extensive computerized switching operations at Bloomington have been developed into one of the world's most advanced railroad facilities. The Santa Fe has completed a similar improvement program at its yards in Barstow.

Four Interstate Highways traverse San Bernardino County. Interstate 10 crosses the San Bernardino Valley in an east-west direction. Interstate 15 goes north from Interstate 10 to Barstow, and then northerly toward Las Vegas, Nevada. Interstate 40 runs easterly from Barstow into Arizona via Needles. Interstate 15E lies between Temucula in Riverside County and Devore in San Bernardino County where it joins Interstate 15.

There are three U.S. Highways in the County—Route 66 in the valley, Route 95 in the east end of the County, and Route 395 in the western part. There are 1,195 miles of highways in the state system within San Bernardino County. The County Road System contains 4,856 miles.

The County is provided with commercial air transportation by nine airlines serving Ontario International Airport, including two intrastate and one commuter airline. Golden West Airline connects with major carriers at Los Angeles International Airport. Ticket counters are maintained for all major airlines in the Ontario Terminal. The airport averages 130-150 flights per day. During 1976, the airport handled 1,434,969 passengers and 6,268,803 pounds of air cargo. Within the County are 63 airport and heliport facilities including public-owned, private and military. There are approximately 1,200 aircraft currently registered in the County.

The County is served by over 600 trucking companies and numerous trucklines (ICC, radial and contract highway). Many of these maintain terminals in the County.

Education

Public education in San Bernardino County is administered by 19 elementary school districts, two high school districts, 13 unified (K-12) school districts, and four community college districts. Enrollment in the elementary grades has stabilized in recent years. However, enrollment in the secondary grades has increased, as shown in the following five-year summary.

SAN BERNARDINO COUNTY

Total Enrollment in Public Schools

Grades K-14	1972	1973	1974	1975	1976
Elementary (K-8)	116,388	113,616	111,339	111,146	111,599
Secondary	66,207	66,444	69,296	71,466	72,443
Community College.....	27,984	28,697	32,818	41,835	36,271
Total.....	210,579	208,757	213,453	224,447	220,313

Source: County Superintendent of Schools.

Within the County, there are 8 universities and colleges. In addition, there are five two-year community colleges—in San Bernardino, Yucaipa, Alta Loma, Victorville, and Barstow. The world-renowned Loma Linda University is a coeducational complex of schools offering undergraduate and graduate degrees including doctoral programs in varied academic and professional fields. The University of Redlands, a private liberal arts college granting baccalaureate and master's degrees, is known for its outstanding programs in the fields of business administration, education, music, chemistry, engineering, mathematics and physics. On the same campus is Johnston College, an experimental cluster college where students negotiate study contracts with their professors. California State College at San Bernardino, three miles east of San Bernardino, offers the Bachelor's degree in 28 majors, and the Master's degree in education with specialization in elementary education, or English and history for secondary teachers.

Tourism and Recreation

The County has a wide variety of attractions for the visitor, and tourism is a growing segment of the local economy.

Principal tourist attractions in the desert area are Death Valley, Joshua Tree National Monument, and the restored ghost town of Calico. On the Colorado River, at the eastern end of the County, there are extensive boating facilities. Parker Dam, which forms Lake Havasu, the principal source of supply for the Metropolitan Water District of Southern California since water from Northern California is not being supplied, is 50 miles south of Needles. The desert area also includes a number of guest ranches. In 1970, the Ontario Motor Speedway opened in western San Bernardino County, bringing major motor racing events to the Los Angeles area. Each year, thousands of visitors attend the National Orange Show in the City of San Bernardino.

In the San Bernardino Mountains, well-known summer resorts and winter sports areas include Lake Arrowhead, which offers swimming, water-skiing, fishing, horseback riding, golf and an open-air skating rink. Green Valley Lake and the other mountain communities of Running Springs and Arrowbear Lake are located about 7 miles east of Lake Arrowhead. Other popular mountain areas include Big Bear Lake and the Crest Forest area. Resorts which are known for ski slopes as well as other recreational facilities, include Snow Valley, Wrightwood, Mt. Baldy, Mill Creek and Barton Flats. The Mt. San Gorgonio Wilderness area attracts many hikers, mountain climbers and bird watchers.

Air Resources

Portions of San Bernardino County are located in two air quality maintenance areas as identified by the California Air Resources Board. The South Coast Air Quality Maintenance Area (SCAQMA) includes all of Los Angeles, Ventura and Orange Counties, and portions of Riverside, Santa Barbara and San Bernardino Counties. The Southeast Desert Air Quality Maintenance Area (SEDAQMA) includes portions of San Bernardino and Riverside counties. There are air monitoring stations within the County which measure the level of contaminants in the air in order to determine whether existing air quality standards are being met. The establishment of governmental programs and regulations to improve air quality within either of the two maintenance areas may have an economic impact upon the county.

Recently, Kaiser Steel Corp., which is one of the largest employers and taxpayers in the County, was threatened with blacklisting by the U.S. Environmental Protection Agency (EPA) because of smoke pollution from its coke ovens. Blacklisting by the EPA would have made Kaiser ineligible for government contracts which account for about 18 percent of the company's sales. As a result of three-way negotiations among Kaiser officials, representatives of the State Air Resources Board (ARB) and the EPA, an agreement was signed on May 6, 1977 which averted the immediate threat of blacklisting.

Kaiser agreed to pay \$2.1 million in fines and to add \$15 million to the \$78 million it is already committed to spend under the terms of a 1976 consent decree with EPA. Also, by July 5, 1977, the company must negotiate and agree to modifications in the consent decree it signed with EPA on April 17, 1976 or face the possible resumption of blacklisting proceedings by EPA.

Southern California Edison also has a pollution problem because of the high sulfur content of its smoke emissions at the Highgrove generating plant. Edison has been granted a variance by the Air Resources Board under which it is allowed to continue its present level of operations while it takes measures to correct the problem.

Several other large taxpayers and/or employers have been issued variances. Under the variance they are allowed to continue discharging pollutants but must be in compliance with regulations by a certain date. These firms and their pollution problems are: Sunkist Growers, Inc.—smoke emissions; National Can Co.—organic solvents; March Air Force Base—storage of organic liquids; Southern California Edison—sulphur content of smoke emissions; Southern Pacific Pipeline—storage of organic liquids. Southern Pacific Pipeline is expected to be in compliance by July 1, 1977.

The South Coast Air Quality Management District on May 27, 1977 adopted an "emission fee" program that requires major air polluters to pay estimated annual fees of \$2 million to be determined for each polluter based on the amount of pollutants emitted. The fees will be used to reduce the amount of property tax revenues which the counties of Los Angeles, Orange, Riverside and San Bernardino are required to appropriate for the support of the South Coast Air Quality Management District. The fees are to be collected from an estimated 700 to 800 polluters in the four counties emitting at least 25 tons per year of sulfur dioxide, organic gases, oxides of nitrogen or particulate matter, or emitting at least 250 tons of carbon monoxide per year. The fee is proposed to be collected in 1978 based on emissions in 1977. The estimated fees to be collected from polluters within San Bernardino County is \$150,000 of which Kaiser Steel Corporation is expected to be charged \$133,000.

Water Resources

The State Water Resources Control Board and the California Regional Water Quality Control Boards are the governmental bodies responsible for regulating the activities and factors which affect or may affect the quality of the waters of the state. Under the auspices of the State Board, there are nine regional water pollution quality control boards which act as semi-autonomous state agencies.

San Bernardino County is located within the jurisdiction of three Regional Water Quality Control Boards: Colorado River Basin, Lahontan and Santa Ana. The Assessment District is almost entirely within the jurisdiction of the Lahontan Regional Water Quality Control Board. Wastewater treatment and disposal facilities are located within the Santa Ana Region. Each Regional Board establishes water quality objectives for the reasonable protection of beneficial uses of water or the prevention of a nuisance.

The Lahontan Board has stipulated that certain water quality control procedures be implemented within the Assessment District by January 1, 1977. Because plans are now underway to construct a sewage disposal system, the staff of the Lahontan Board expects that the time period for water pollution abatement will be extended.

A few large industries within San Bernardino County have been advised that they must correct pollution problems.

Kaiser Steel Corporation in Fontana is presently under an enforcement action for oil discharges. Kaiser is constructing surge basins to correct the problem. These should be completed by November, 1977.

The Southern California Edison Highgrove Generating Plant is discharging inorganic wastewater with a high saline level. It is presently doing a cost study to determine what method of pollution control it will utilize.

COUNTY SERVICE AREA NO. 79

On January 1, 1972, San Bernardino County Service Area No. 79 officially came into existence, with power to provide services as a fire protection and sewerage agency serving the community of Green Valley Lake. C.S.A. 79 is administered by the San Bernardino County Special Districts Department. The Special Districts Department is under the jurisdiction of the San Bernardino County Board of Supervisors. There is an Advisory Commission to C.S.A. 79 comprised of property owners and residents from the community of Green Valley Lake. The purpose of the Advisory Commission is to act as liaison among C.S.A. 79 as an entity, the property owners, and the Board of Supervisors.

The community of Green Valley Lake is located at about the 7,000 foot level in the heart of the San Bernardino Mountains between Big Bear and Lake Arrowhead. It is about 25 miles from the city of San Bernardino.

The Green Valley area consists of small average, medium and large subdivided lots. Most of the cabins in Green Valley serve as vacation homes for the property owners. The number of full time residents is small in comparison to the number of dwelling units. According to the 1975 Special Census data, the total permanent population was 218.

Utilities and County Services

The Green Valley Mutual Water Company provides water service to 94 percent of the area. Water sources include wells, spring development and supplemental water from the State Water Project. The company has steel and concrete storage tanks for 475,000 gallons. The distribution system is gravitational with very little pumping required. Distribution lines for individual connections range in size from three-quarters of an inch to two inches. The street water mains vary in size from two inches to eight inches.

There are approximately 847 connections, mostly residential. There is a monthly service charge of \$5 and any excess over 4,000 gallons per month is billed at the rate of \$1.25 per thousand gallons.

There is a man made lake in Green Valley which contains about 10 acre feet. The water company maintains the lake.

Water users who reside within the service area of Green Valley Mutual Water Company automatically become members of the Green Valley Lake Property Owners Association as long as they are stockholders in good standing with the water company. The Property Owners Association oversees the recreation center and the boating facilities at the lake. The Association requests donations from the members for recreational purposes.

The Green Valley Park Mutual Water Company provides water service to the remainder of the area. There are about 100 lots in its service area, with 55 connections at the present time.

Electricity is provided by Southern California Edison. The Southern California Gas Company furnishes natural gas and the Continental Telephone Company provides telephone services.

There is a fire station in Green Valley, maintained by C.S.A. 79, to service privately owned land. The U.S. Forest Service provides fire fighting facilities and maintenance for the National Park lands.

Recreation Facilities

Like most of the mountain resort areas, Green Valley Lake offers a variety of recreational activities for all seasons.

The lake can be used for swimming, boating and fishing. There are winter skiing facilities at Green Valley and at nearby Snow Valley. There are hiking trails, campgrounds, and other outdoor activities available in the wilderness areas.

The U.S. Forest Service operates a developed campground for overnight camping in Green Valley. The Forest Service measures the occupancy rates of its campgrounds in terms of visitor-day use. A twelve hour day of use equals one visitor-day. The data for the last three years is shown on the following page.

GREEN VALLEY CAMPGROUND

Visitor Day Use

Year	Visitor Day Use
1974	16,400
1975	13,100
1976	20,000

Source: U.S. Forest Service, Arrowhead Station.

The Snow Valley ski area is also located on 320 acres of National Forest land. It has some of the best ski facilities in the local mountains. There are seven chair lifts and three rope tows to transport skiers to the slopes. Snow Valley ski area employs a snow making machine to supplement natural snow fall. The visitor day use as given by the Forest Service for the two most recent years are shown below.

SNOW VALLEY

Visitor Day Use

Year	Visitor Day Use
1975	121,600
1976	144,200

Source: U.S. Forest Service, Arrowhead Station.

There are also several private campgrounds nearby operated by organizations such as the Boy Scouts and YMCA, among others.

APPENDIX I

Assessment Diagram

Green Valley Lake Assessment District No. 74-1
County Service Area No. 79, County of San Bernardino

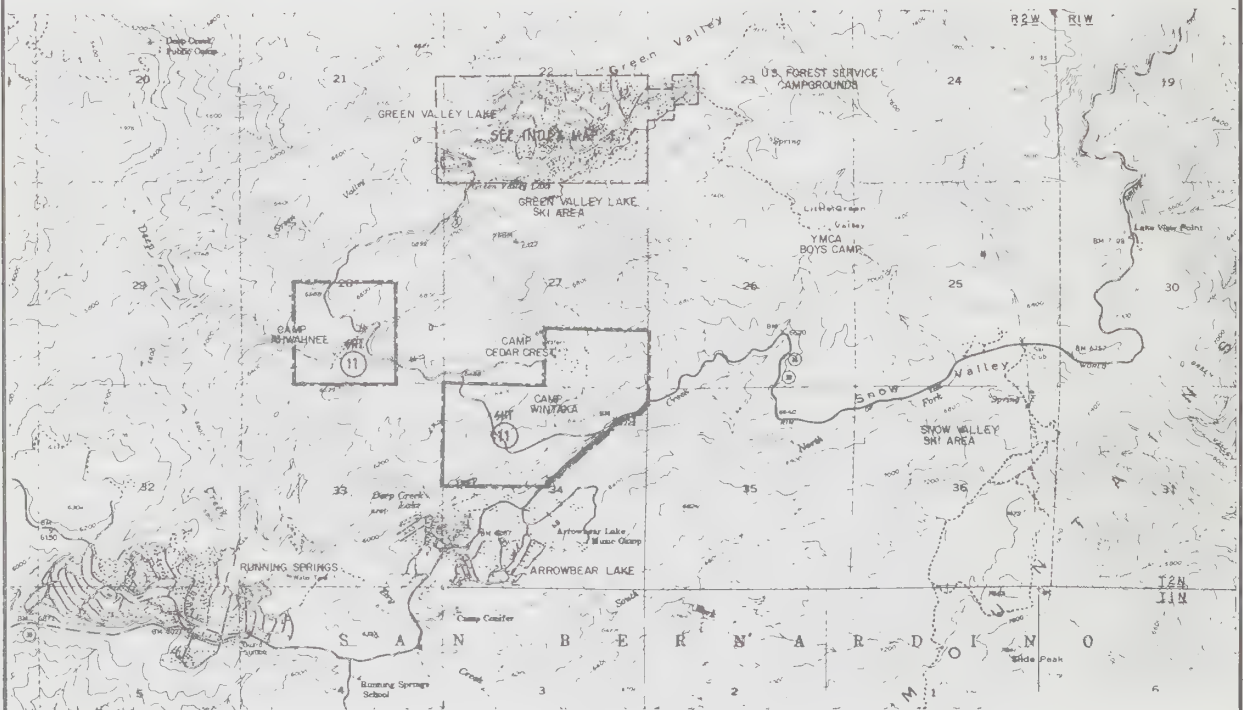
ASSESSMENT DIAGRAM

GREEN VALLEY LAKE

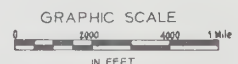
ASSESSMENT DISTRICT NO. 74-1

COUNTY SERVICE AREA 79

COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA



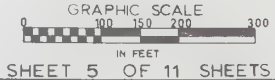
INDEX MAP



SHEET 1A OF 11 SHEETS







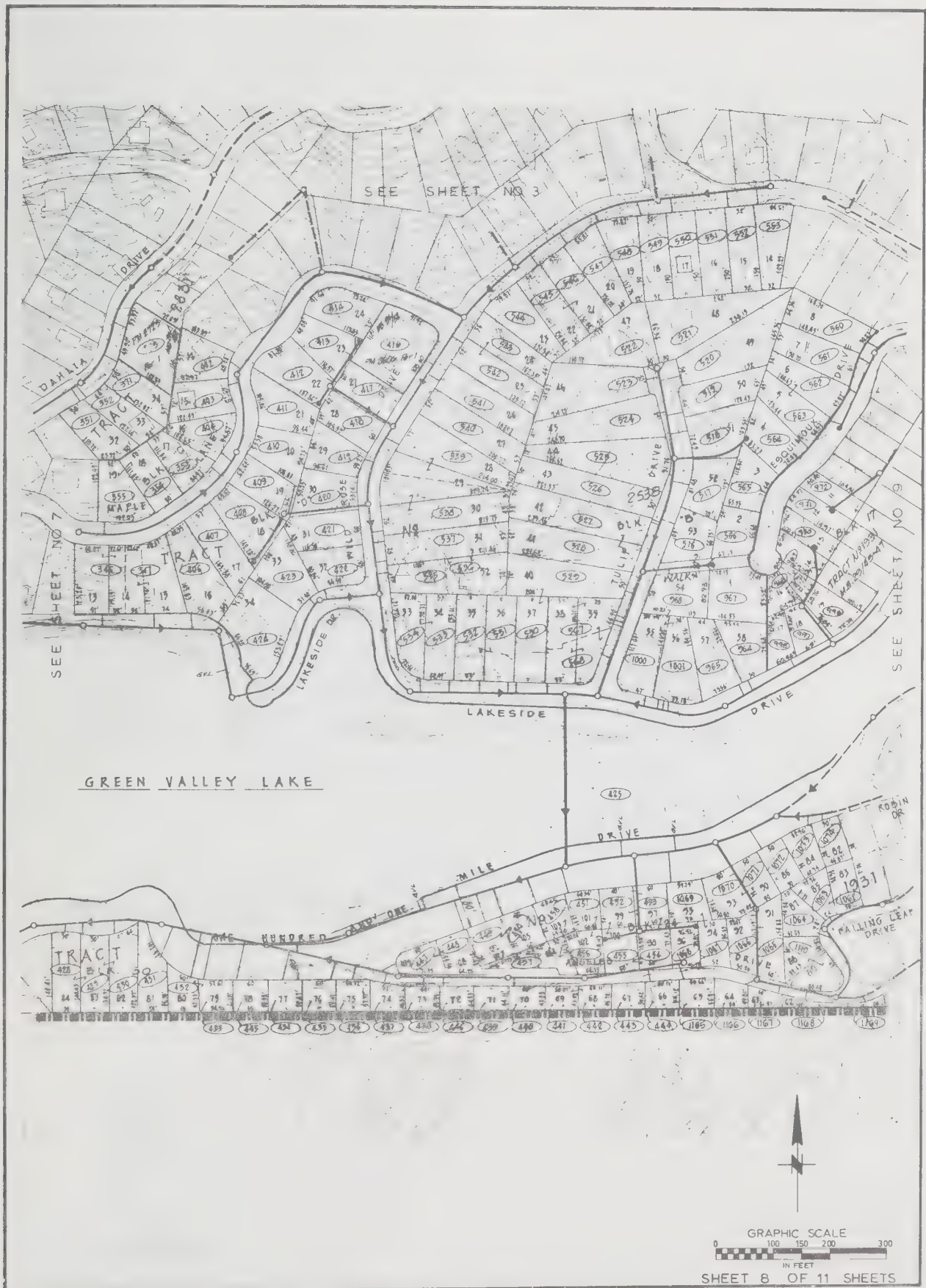


SEE SHEET NO. 5



GRAPHIC SCALE
0 100 150 200 300
IN FEET
SHEET 6 OF 11 SHEETS







SHEET 9 OF 11 SHEETS



IN FEET

SHEET 10 OF 11 SHEETS

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